

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6619

BILL NUMBER: HB 1231

NOTE PREPARED: Feb 27, 2007

BILL AMENDED: Feb 21, 2007

SUBJECT: Real Property Issues.

FIRST AUTHOR: Rep. Day

FIRST SPONSOR: Sen. Wyss

BILL STATUS: As Passed House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) *Specifications For Recording Conveyances*- The bill provides that a conveyance may not be recorded after June 30, 2007, unless a statement is attached to the conveyance that lists the street address (excluding a post office box address) of the person to whom the property is conveyed.

Unsafe Buildings- The bill provides that if an unsafe building order is issued to a person regarding a premises that is: (1) owned by the person or is being purchased by the person under a contract; and (2) leased to another person; the person must provide to the department administering the unsafe building law the person's name, street address (excluding a post office box address), and phone number.

Building Compliance Liens- The bill increases the maximum amount that constitutes a lien against property when employees or contractors of a municipal corporation enter onto that property and take action to bring the property into compliance with an ordinance.

Effective Date: July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Unsafe Buildings*- If an owner of property or person purchasing with intent to lease property does not contest or has exhausted all administrative and legal steps to contest an order, they would be required to submit in writing their name, non-post office box address, and phone number to local building law enforcement. Persons required to submit the above information would have to

be under the following unsafe building orders: sealing off, extermination of vermin, removal of trash and hazards, or repair and rehabilitation of the premises.

Explanation of Local Revenues: *Specifications For Recording Conveyances*- County recorder fee receipts may decrease if the specifications to file a conveyance, added by the bill, are not met. Under current law, recorders must charge a \$6 fee on any document recorded no larger than 8.5 by 14 inches.

(Revised) *Building Compliance Liens*- The bill raises the maximum lien amount, to bring a property into compliance with a local ordinance, from \$2,500 to \$10,000 for any real property that: contains one or more occupied or unoccupied single/double family dwellings and any additions; or is unimproved. The bill would also raise the maximum lien amount from \$10,000 to \$20,000 for liens on any other type of real property that is not a single or double family dwelling.

This provision could allow municipalities to recoup costs from compliance work on properties where the cost for the work exceeds the current maximum lien amounts.

State Agencies Affected:

Local Agencies Affected: County recorders; local authorities responsible for administering unsafe building law; municipalities.

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.